

**STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Before the Commissioner of the Office of Financial and Insurance Regulation**

**In the matter of:**

**Banco Mortgage Centre, Ltd.**

**Enforcement Case No. 07-5185**

**License No.: FL-0479**

**Ms. Barbara Banco, President,**

**Respondent.**

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**CONSENT ORDER REQUIRING COMPLIANCE AND PAYMENT OF FINE**

Issued and Entered,  
this 4<sup>th</sup> day of May, 2009,  
by Stephen R. Hilker,  
Chief Deputy Commissioner

Based upon the Stipulation to Entry of Consent Order and the files and records of the Office of Financial and Insurance Regulation ("OFIR") in this matter, the Commissioner FINDS and CONCLUDES that:

1. The Commissioner has jurisdiction and authority to adopt and issue this Consent Order in this proceeding, pursuant to the Michigan Administrative Procedures Act of 1969 ("MAPA"), as amended, MCL 24.201 *et seq.*, and the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), 1987 PA 173, as amended, MCL 445.1651 *et seq.*
2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
3. Acceptance of the parties' Stipulation to Entry of Consent Order is reasonable and in the public interest.
4. All applicable provisions of MAPA have been met.

5. Banco Mortgage Centre, Ltd. ("Respondent") violated the Mortgage Brokers, Lenders, and Servicers Licensing Act, MCL 445.445.1651 *et seq.*, the Mortgage Lending Practices Act, MCL 445.1602, and the Secondary Mortgage Loan Act, MCL 493.51 *et seq.*

NOW THEREFORE, based upon the parties' Stipulation to Entry of Consent Order and the facts surrounding this case, IT IS ORDERED THAT:

1. The Stipulation to Entry of Consent Order submitted by the parties to the Chief Deputy Commissioner is hereby ACCEPTED.

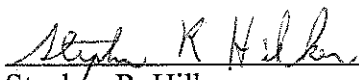
2. Respondent shall CEASE and DESIST from violating MCL 445.1672(a)-(b), MCL 445.1652(4), MCL 445.1655, MCL 493.52, MCL 445.1671, MCL 445.1673, MCL 493.67, MCL 493.68, and MCL 493.75.

3. Respondent shall provide OFIR with a copy of the pamphlet as required by, and in compliance with, MCL 445.1605, Section 5(1) of the Mortgage Lending Practices Act within 30 days of the date this Order is approved and executed by the Chief Deputy Commissioner.

4. Respondent shall pay a civil fine of \$2,000 dollars within 30 days of the date this Order is approved and executed by the Chief Deputy Commissioner.

5. The Commissioner specifically retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as he shall deem just, necessary and appropriate in accordance with the provisions of the MBLSLA and SMLA. Failure to abide by the terms and conditions of the Stipulation to Entry of Consent Order and this Order, may result in the commencement of additional proceedings.

**IT IS SO ORDERED.**

  
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Stephen R. Hilker  
Chief Deputy Commissioner

**STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Before the Commissioner of the Office of Financial and Insurance Regulation**

In the matter of:

**Banco Mortgage Centre, Ltd.**  
379 Hamilton Row  
Birmingham, MI 48009-3460

**Enforcement Case No. 07-5185**

License Number: FL-0479

Respondent  
\_\_\_\_\_ /

**STIPULATION TO ENTRY OF CONSENT ORDER  
REQUIRING COMPLIANCE AND PAYMENT OF FINE**

Banco Mortgage Centre, Ltd. ("Respondent") and the Office of Financial and Insurance Regulation ("OFIR") hereby stipulate and agree to the following:

1. OFIR staff ("Staff") conducted an on-site Examination of Respondent's books and records commencing on March 12, 2007, pursuant to Section 11(2)(c) of the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), MCL 445.1661(2)(c). The Examination concluded on March 30, 2007.
2. Thereafter, a Report of Examination was served on Respondent.
3. The Report of Examination contained allegations that Respondent had violated the MBLSLA and SMLA and set forth the applicable law.
4. On or about September 26, 2007, OFIR served Respondent with a copy of Notice of Opportunity to Show Compliance alleging that Respondent had violated provisions of the MBLSLA and the SMLA.
5. On March 20, 2008, at the offices the of OFIR, Respondent was offered an opportunity to show compliance with the lawful requirements of the MBLSLA and SMLA pursuant to the provisions of the Michigan Administrative Procedures Act ("MAPA"), MCL 24.201 *et seq.*, the MBLSLA, 1987 PA 173, as amended, MCL 445.1651 *et seq.*, and the SMLA, 1981 PA 125, as

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amended, MCL 493.51 *et seq.* Respondent did not dispute the allegations contained in the Report of Examination and did not make a showing of compliance.

6. Thereafter, Staff and Respondent conferred for purposes of resolving this matter and determined to settle this matter pursuant to the terms set forth below.

7. Respondent knowingly and voluntarily waives and relinquishes its right to be served with a Notice of Intention to Revoke and an opportunity for an administrative hearing in this matter, pursuant to Section 12 of the MBLSLA, MCL 445.1662, and Section 11 of the SMLA, MCL 493.61.

8. The Commissioner of OFIR ("Commissioner") has jurisdiction and authority to adopt and issue this Consent Order, pursuant to the MAPA, MCL 24.201 *et seq.*, the MBLSLA, and the SMLA.

9. At all pertinent times, Respondent was licensed with OFIR as a mortgage broker and lender pursuant to the MBLSLA.

10. Based upon the allegations set forth in the Report of Examination and communications with Respondent, the following allegations were established:

- a. Section 2(10) of the Mortgage Lending Practices Act, MCL 445.1602(10) requires each credit granting institution to make available for public distribution at the institution's principal office and each branch office or service center a pamphlet or document explaining in general terms the credit granting institution's criteria for the approval or denial of a loan application. Respondent did not have the pamphlet required under Section 2(10) of the Mortgage Lending Practices Act.
- b. Respondent wrote checks to borrowers rendering the Settlement Statements for those borrowers inaccurate.
- c. Respondent used "Non-Refundable Processing Fee/Deposit" and "Mortgage Broker Fee Disclosure" statements which essentially locked the borrower into dealing exclusively with Respondent. Additionally, it was discovered that Respondent collected fees when no loan had been closed.
- d. Respondent collected fees associated with Secondary Mortgage Loans, even though Respondent is not licensed/registered under the SMLA.

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11. Respondent agrees to CEASE and DESIST from any and all of the violations set forth in paragraph 10.

12. Respondent agrees to provide OFIR with a document that satisfies the requirements of the Mortgage Lending Practices Act, MCL 445.1602(10) within 30 days of the date this Stipulation and Consent Order are executed and approved by the Acting Chief Deputy Commissioner.

13. Respondent agrees to pay to the State of Michigan, through OFIR, a civil fine in the amount of \$2,000.00 within 30 days of the date this Stipulation and Consent Order are executed and approved by the Acting Chief Deputy Commissioner.

14. Respondent, without admitting the truth or validity of any of the allegations made by OFIR, agrees to operate its business in the State of Michigan at all times so that it shall not violate the MBLSLA, the Mortgage Lending Practices Act, and the SMLA.

15. The procedural requirements of the MAPA, the MBLSLA, and the SMLA have been complied with in all respects by both parties.

16. Respondent understands and agrees that this Stipulation will be presented to the Acting Chief Deputy Commissioner for approval. The Acting Chief Deputy Commissioner may in her sole discretion, decide to accept or reject the Stipulation and Consent Order. If the Acting Chief Deputy Commissioner accepts the Stipulation and Consent Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Consent Order. If the Acting Chief Deputy Commissioner does not accept the Stipulation and Consent Order, Respondent waives any objection to the Commissioner holding a formal administrative hearing and making his decision after such hearing.


17. The failure to abide by and fully comply with the terms and conditions of this Stipulation and Consent Order may, at the discretion of the Commissioner, result in further administrative compliance actions.

18. The Commissioner has jurisdiction and authority under the provisions of the MAPA, the MBLSLA, and the SMLA to accept this Stipulation to the Entry of Consent Order and to issue a Consent Order resolving these proceedings.

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19. Respondent has had an opportunity to review this Stipulation and the accompanying Consent Order and have same reviewed by legal counsel.

**OFFICE OF FINANCIAL AND  
INSURANCE REGULATION**

  
By: Diane L. Bissell  
Staff Attorney

10-15-08  
Dated